

Message Text

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ACTION EB-07

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TO SECSTATE WASHDC 1192

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E.O. 11652: N/A

TAGS: EFIN US SZ

SUBJ: SMALL BUSINESS ADMINISTRATION - PROPOSAL FOR OFFSHORE RE-
FINANCING OF GUARANTEED LOANS

1. EDMOND D. LEVI, REPRESENTING PROFINOR SA OF 7 RUE PETITOT, 1204 GENEVA, CALLED ON THE ECONOMIC/COMMERCIAL COUNSELOR AUGUST 18. HE SAID THAT HE WAS AWARE OF THE PROBLEMS THE SMALL BUSINESS ADMINISTRATION WAS HAVING IN OBTAINING SECONDARY FINANCING FOR ITS LOANS AND THAT HIS FIRM WAS INTERESTED IN HELPING TO DEVELOP A SECONDARY MARKET FOR THE GUARANTEED PORTION OF THESE LOANS.

2. HE HAS WRITTEN TO SBA ON SEVERAL OCCASIONS, MOST RECENTLY ON JULY 7, INQUIRING ABOUT THE POSSIBILITY OF HELPING TO DEVELOP AN OFFSHORE MARKET FOR SECONDARY FINANCING AND ASKING SOME QUESTIONS ABOUT WHETHER AND UNDER WHAT CONDITIONS THE 30 PERCENT WITHHOLDING TAX COULD BE WAIVED OR FOREIGN LENDERS COULD BE EXEMPTED FROM ITS APPLICATION. HE SAID HE HAS SEVERAL PROPOSALS AS TO HOW THIS MIGHT BE DONE WHICH HE WOULD BE WILLING TO DISCUSS IN DETAIL WITH APPROPRIATE SBA AND IRS OFFICIALS IN WASHINGTON. HE WISHES TO BE CERTAIN OF THEIR APPROVAL BEFORE TAKING ANY FURTHER ACTION.

3. MR. LEVI CLAIMS THAT HE COULD RAISE \$45 MILLION OR MORE OVER THE NEXT SEVERAL MONTHS. HIS FIRM SPECIALIZES IN MORE SOPHISTICATED INVESTMENTS OF THIS TYPE, AND WOULD SET UP A SINGLE PURPOSE COMPANY FOR THIS PURPOSE.

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4. PROFINOR'S MAJOR BUSINESS AT PRESENT IS IN SWITZER-

LAND AND IN DISCOUNTING COMMERCIAL PAPER ON EXPORTS FROM WESTERN TO EASTERN EUROPE, LOANS TO ORGANIZATIONS SUCH AS EUROFIMA AND SO FORTH. FULL INFORMATION MAY BE OBTAINED FROM LLOYDS BANK INTERNATIONAL, I PLACE BEL AIR, 1204 GENEVA ON THE STATUS AND ACTIVITIES OF THE FIRM.

5. MR. LEVI EXPLAINED THAT WHILE HIS LETTERS TO SBA WERE ON THE LETTERHEAD OF GEMFINA, LTD, A CAYMEN ISLANDS CORPORATION, PROFINOR IS THE SWISS COMPANY THAT MANAGES GEMFINA.

6. ACTION REQUESTED: PLEASE CONTACT SBA AND IF NECESSARY IRS. IF THERE IS ANY INTEREST ON THE PART OF SBA, PLEASE ASCERTAIN WHETHER THOSE RESPONSIBLE COULD MEET MR. LEVI. HE IS PREPARED TO COME TO WASHINGTON IF THERE IS INTEREST AND IF APPOINTMENTS CAN BE ARRANGED WITH APPROPRIATE OFFICIALS.
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